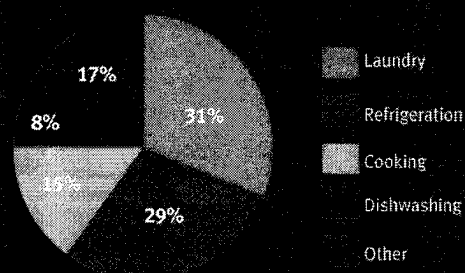


# Financial Highlights

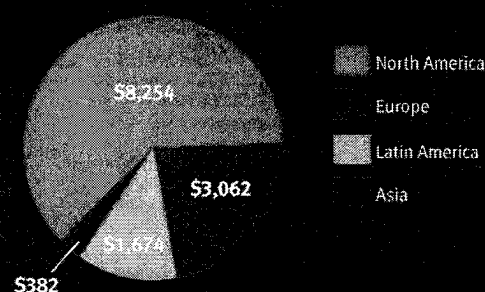
(millions of dollars, except per share data)	2004	2003	% Change
Net sales	\$13,220	\$12,176	8.6%
Net earnings	\$ 406	\$ 414	(1.9)%
Per share on a diluted basis	\$ 5.90	\$ 5.91	(0.2)%
Stockholders' equity	\$ 1,606	\$ 1,301	23.4%
Total assets	\$ 8,181	\$ 7,361	11.1%
Return on equity *	30.3%	42.9%	
Book value per share	\$ 23.31	\$ 18.56	25.6%
Dividends per share	\$ 1.72	\$ 1.36	26.5%
Share price			
High	\$ 80.00	\$ 73.35	
Low	\$ 54.53	\$ 42.80	
Close	\$ 69.21	\$ 72.65	(4.7)%
Shares outstanding at December 31 (in '000's)	66,604	68,931	(3.4)%
Number of employees	68,125	68,407	(0.4)%

\* Refer to Eleven-Year Consolidated Statistical Review (pages 32-33) for more information about return on equity calculation.

2004 Sales by Product Class

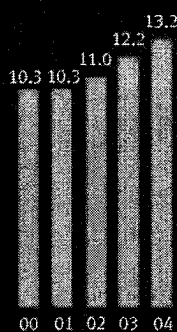


2004 Sales by Geographic Region (in millions)

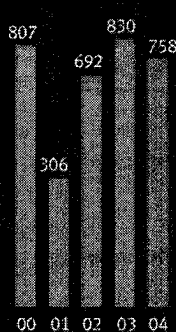


2004 Sales exclude other/eliminations of \$(152).

Revenue  
(\$ in billions)



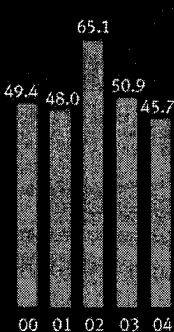
Operating Profit  
(\$ in millions)



Cash Provided by  
Operating Activities  
(\$ in millions)



Debt/Total Capital  
(percent)



## Whirlpool's global operating platform is the foundation for achieving best-in-class cost structure, product quality and asset efficiency

Whirlpool today operates an integrated global supply chain that's directly tied to designing, producing and delivering the best cost and highest quality products to customers in each market we serve.

Our global operating platform provides the foundation of Whirlpool's differentiated value creation strategy. By effectively managing the entire supply chain with a global mind set—from procurement and product development to manufacturing and distribution—we are continually realizing the benefits of higher levels of productivity and quality. These capabilities allow us to simplify processes, shorten development cycles and better utilize assets, which helps open up additional opportunities to create innovation and value for our trade partners and customers.

Our platform integrates Whirlpool's global manufacturing network, which includes production capacity in low-cost regions worldwide. In 2004, Whirlpool announced significant investments for its facilities in Mexico and Poland, as well as in the United States, to speed new kitchen and laundry innovations to customers throughout North America and Europe. Increasing levels of exports from our existing production facilities in China, India, Central Europe and Brazil are allowing us to expand into new markets and improve product mix within our established markets.

Quality and productivity remain vital value creating levers for the company and are a key focus of our global

operations. Operational Excellence, our Six Sigma process, and Lean Manufacturing are the tools we use across the enterprise to continually improve productivity and sustain cost savings.

Whirlpool is continuing to build toward the best-in-class cost position by focusing on training; pursuing global sources of commodities and components; optimizing the right global mix and location for our core manufacturing, technology and design capabilities; outsourcing non-core processes as appropriate; and executing an effective overall global supply chain.

Looking ahead over the next several years, the contribution from this strategic part of our business will continue to evolve and grow. For example, we expect technology capabilities and resources to increase 25 percent without raising current cost levels, capital efficiency to increase 25 percent, and fixed-asset turnover to improve 30-to-50 percent.

The most important contribution, however, is the role that the global operating platform will continue to play as the foundation from which our brands create and deliver differentiated value.

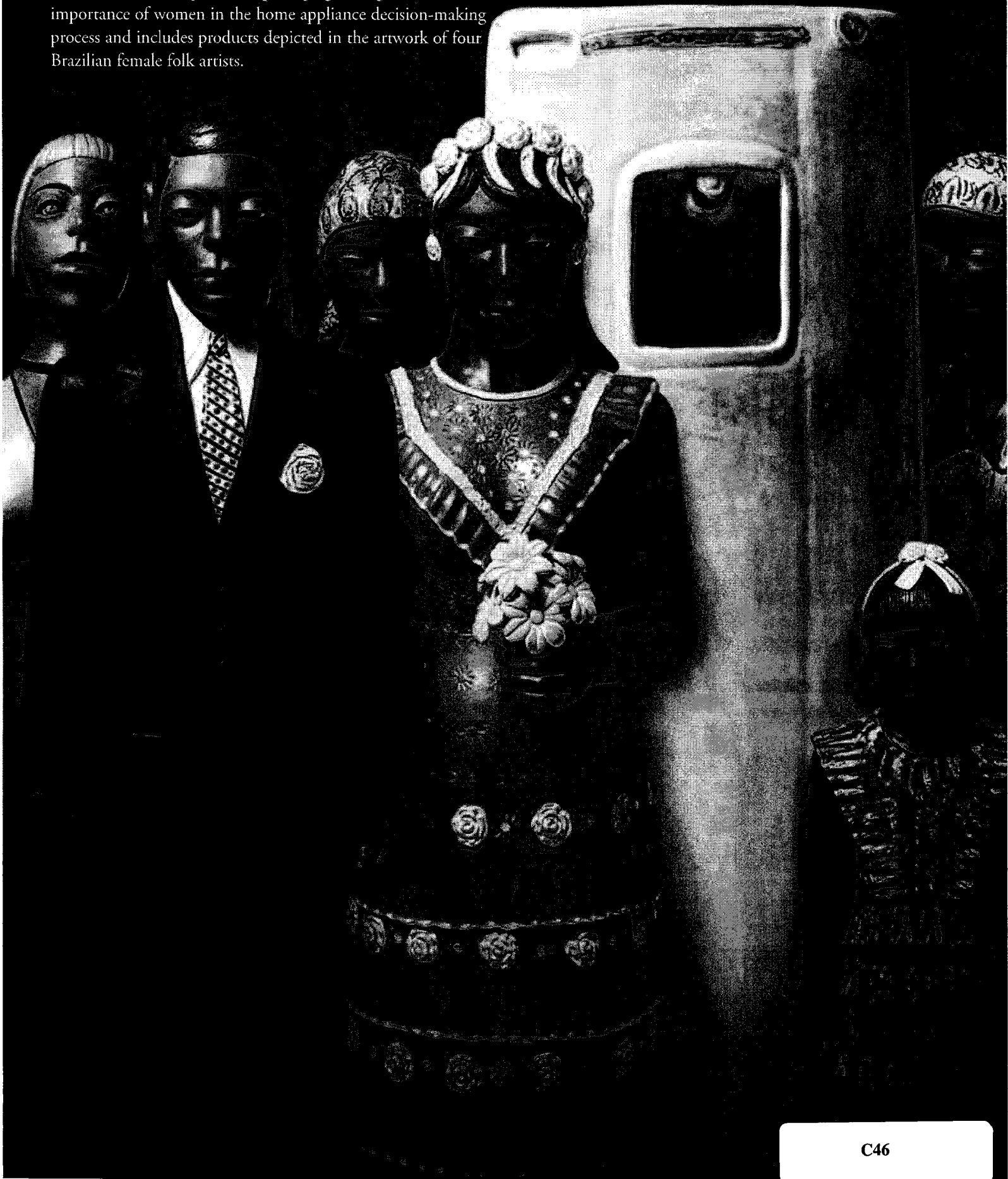


### *Whirlpool's Manufacturing Network Creates Global Scale*

Whirlpool's global manufacturing footprint enables efficient and effective use of resources and flexibility of product distribution. The network is "best in class" for low-cost manufacturing, quality and safety. Transregional sales have doubled in the past five years, resulting in more than six million products distributed from Whirlpool manufacturing and technology centers in 2004.

## "The Choice of the Brazilian Woman"

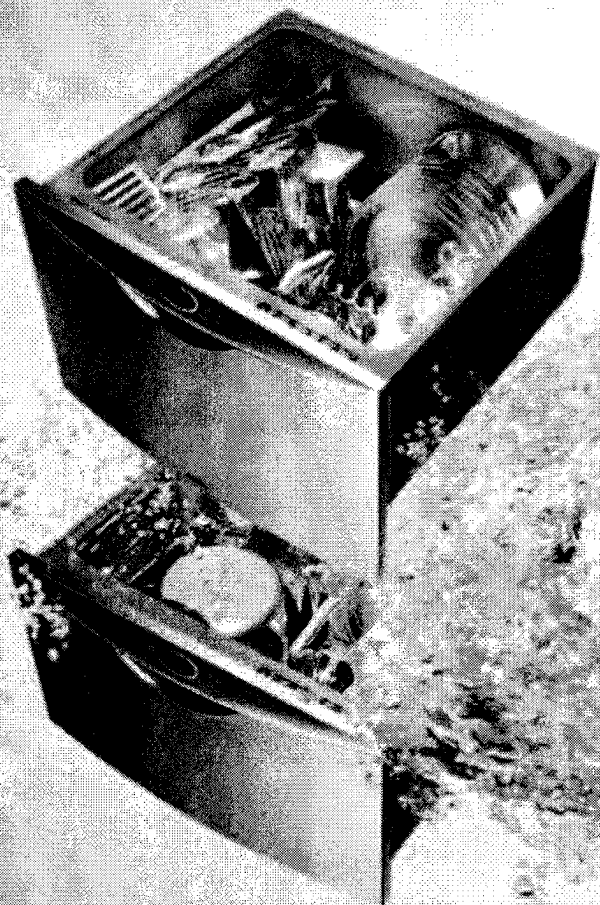
*Consul* brand's new positioning campaign recognizes the importance of women in the home appliance decision-making process and includes products depicted in the artwork of four Brazilian female folk artists.





## "Two in One"

The Drawer Dishwasher, offering two dishwashers in the space of one, was first launched in Europe, and more recently in the U.S.



## Water, water...everywhere

*Brand elasticity and a strong relationship creates an exclusive win-win*

When Lowe's first approached us to provide a new line of water softeners, filters, coolers and heaters, it was a potential opportunity to simultaneously leverage the strength of both the *Whirlpool* brand and our relationship with a key trade partner. Lowe's was looking to introduce a solution to their newly discovered customer insight: strong interest in water filtration. And they sought the strength of the *Whirlpool* brand to support their new initiative. Our own brand elasticity study concluded that *Whirlpool* was a match.

Though we don't manufacture these types of products, the opportunity seemed promising. Together, we worked actively with licensee partners (including one of our refrigerator filter makers) to launch a new program with record speed to market: only four months per product line. In return, Lowe's provided significant, dedicated floor space in their stores and a new television advertisement (images at right) leveraging the strength of both brands, product ease of use, and exclusive launch at Lowe's.

In short, it's a good example of leveraging the strength of a *Whirlpool* trade relationship and the strength of the brand into a profitable contribution to our bottom line. The success of the brand licensing business has convinced us that such partnerships offer opportunities for appropriate extensions of the *Whirlpool* brand into other product areas moving forward.



## Building Trade Partner Relationships

Whirlpool offers its innovative products to consumers through a worldwide network of leading trade partners—retailers, home builders, kitchen designers and architects—who share a common commitment to creating and delivering a positive customer experience. By working together to satisfy customers, we all win greater loyalty to our brands and, as a result, deliver better returns to our investors.

Our trade partner strategy is based on differentiating ourselves through value-added partnerships to deliver innovation and unmatched purchase experiences to our customers. As a result, we share our in-depth understanding of consumers and their purchase experiences with our trade partners to help them understand the value of innovation and customer loyalty.

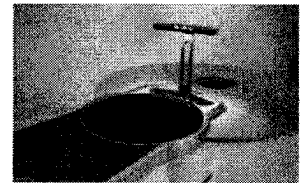
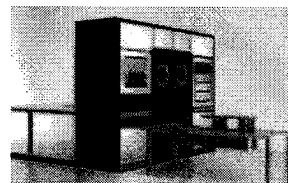
We also help our trade partners apply our branding and consumer knowledge to the benefit of their own businesses. Together, we create innovative training programs, exciting brand-focused product displays, and a superior purchase experience for customers. We collaborate behind the scenes as well, sharing information about consumer patterns and sales forecasting, and integrating supply chain systems.

Thousands of trade partners have visited our *Inspire* Studio retail showroom in the United States to better understand brand presentation through innovative floor displays, and to experience effective sales and customer service training. Whirlpool also provides direct sales and technical service training to trade partners in every region of the world, and offers time saving online tools to simplify routine business transactions. Additionally, we've developed sophisticated category management systems to share with trade partners that will strengthen our existing relationships and create higher-value, mutually successful results.

We're leveraging these tools, competencies and best practices around the world to help trade partners participate directly in providing an unmatched customer experience with our brands. This strategy delivers value to Whirlpool as well as our trade partners through better product mix, increased sales of high-end innovative products, and higher levels of loyalty for our brands.

### Design Innovation:

*Changing the face of the built-in kitchen industry*



Whirlpool Europe marked 15 years of business in 2004. During its milestone anniversary, the organization unveiled the critically acclaimed series of revolutionary built-in kitchen concepts entitled "*in.kitchen*: design landscapes for a new built-in experience."

Based on deep consumer insights and trends research, *in.kitchen* is Whirlpool's vision for built-in kitchens that are based on the culinary level and domestic space of

individual users, and are more highly integrated solutions than those currently available in the marketplace. Rather than design distant product hopes, the project team created glimpses of possible domestic experiences that could be achieved in the near future through well-orchestrated partnerships within the kitchen industry.

In creating *in.kitchen*, Whirlpool is promoting greater dialogue within the industry—kitchen designers, cabinet manufacturers, and others—to move beyond Whirlpool's traditional role of providing a high-tech appliance 'box' to fill a functional 'hole' inside the consumer's kitchen. The effort has already attracted the attention of one high-end Italian kitchen manufacturer to turn the *in.kitchen* concept into a reality, thus dramatically changing the face of built-in kitchens and how people experience the domestic "heart" of their homes.



## The Value of Customer Loyalty

Whirlpool's customer loyalty strategy is a long-term commitment that builds upon our strengths in global manufacturing productivity, trade partner management, innovative products and strong brands.

Whirlpool's focus on customer loyalty is recognition that winning the rational and the emotional loyalty of consumers differentiates our brands and directly influences purchasing behavior. Loyalty for our portfolio of products and brands also will further extend our business into new areas of the home.

Creating unmatched customer loyalty requires unique solutions built on a platform of innovation. In 2005, we will accelerate the rate of new product introduction from our innovation pipeline, which is featured later in this report. The current pipeline is robust and growing, fed by the new ideas and possibilities that continually emerge from our company-wide innovation process. The ever-increasing rate of commercial introductions from this pipeline will help grow our business well into the future.

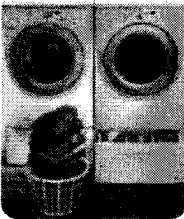
Perhaps the most compelling part of this strategy is in the potential return on our investment. What is customer loyalty worth? We believe every point of increased customer loyalty will create millions of dollars in

additional revenue. Accordingly, we've set ambitious business goals to double our customer loyalty performance in the years ahead.

We also made significant advances instilling the customer loyalty concept throughout the entire network of Whirlpool people worldwide, leading to greater integration of loyalty initiatives within our short- and long-term strategic planning processes.

Today, our brands are creating memorable purchase and ownership experiences for our customers based on the foundation of our industry leading manufacturing infrastructure, strong trade partner relationships, and our robust innovation pipeline of products and new business opportunities.

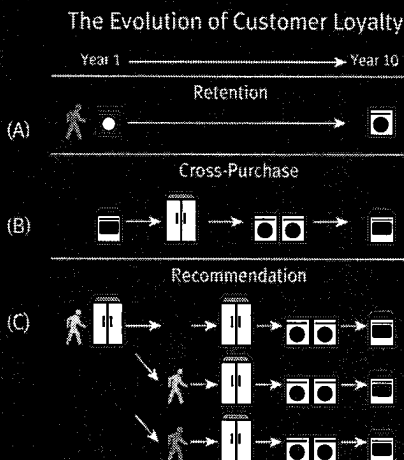
Customer loyalty is about winning the hearts and minds of consumers worldwide. Indeed, it's the heart of our strategy and the daily mission of Whirlpool people everywhere.



### Whirlpool Duet Laundry Success Confirms Strategy

The *Whirlpool Duet* laundry machine was the first product to provide clear evidence that customer decisions involve both rational and emotional decision factors, based on a groundswell of consumer demand and preference unlike any we had seen previously. Today, three years after its introduction, the *Duet* laundry machine is the #1 selling front-loader in the industry and sales continue to grow along a robust price/volume demand curve. The results confirm that our strategy is working, and that loyal customers are willing to pay for the value it delivers.

## Customer Loyalty is a *Behavior*



(A) Winning the loyalty of customers means more than hoping they're satisfied enough at the end of the product life cycle to repurchase the same brand.

(B) For Whirlpool, it means leveraging the strength of our brands and innovative products to create an emotional link with customers that leads to cross-purchase of other products for the home.

(C) The ultimate level of customer loyalty is achieved when appliance owners, impressed with their products, become "evangelists" recommending the brand to others who begin cross-purchasing behavior, thus dramatically influencing sales growth through repeat purchases and brand extensions. Likewise, loyalty delivers better shareholder value because of lower costs for customer acquisition and retention, and higher profitability from customers who are willing to pay for relevant innovation and brand value.